

**London Jewellery Exports by Kira Bella - [www.kirabella.com](http://www.kirabella.com)**

**Country Characteristics:**

- Japan is the UK's largest export market outside Europe and the USA. It represents 12 percent of world GDP. After a long sluggish period following the economic problems of the early 1990s, the Japanese economy has started showing signs of recovery, with GDP growing by 2.6 percent in 2005, and corporate Japan returning record profits.
- Currently the retail market is under going consolidation in the poor economic climate: Daimaru and Matsuzakaya have merged, and Isetan and Mistsukoshi formally joined. These stores are the major outlets for women's accessories.
- The consumer market in Japan is strongly focused around Tokyo with 50% of retail and 80% of wholesale business.
- English is generally spoken but there is often need for an interpreter to cover details in business conversations. We hired an interpreter for meetings when the buyer made this request to be courteous to our customer/prospect.

**Jewellery Market Characteristics:**

- The market size is estimated around 1,198,900 million yen. The market has recently shrunk 5.8% in the financial crisis. Steep rises in the price of gold and diamonds have resulted in increased retail prices which have put consumers off.
- The demand for high-end Jewellery continues to remain strong and imported products well suit the taste of Japanese consumers. The old distribution and retail systems are changing, offering new business opportunities.
- The retail market size of jewellery in Japan in 2004 was Yen 1,250,900 million. The remarkable sales performance by imported brand jewellery and improving sales at department stores and leading select shops have opened up good opportunities for British designer jewellery, both for ladies and mens, in Japan.
- Current tastes and styles which are popular in Japan include jewellery of unique or smart or sweet designs with affordable prices. Fashion trends are from casual to smart and dressy.

**Entering the Japanese Market:**

- There are four routes to market depending on how many intermediaries are involved before merchandise is distributed to retailers from overseas suppliers. Some retailers import directly but these tend to be smaller. The majority of large retailers and department stores use importers to help with the language and customs. The third route to market is licensing and the fourth is by setting up an own office.
- Currently we have found that working with the Retailers and importer of their choice is the most efficient route. Although this is time consuming as we have to handle all orders, we are able to have a direct dialogue with customers.

- The purpose of our visit to Japan was to meet with a retailer we work with, Veritas, as they also work as an agent in the market. Following the market visit, business is going well with Veritas and we have plans to appoint them as a single stock-holding agent. Given the current economic condition we both agreed to move slowly as we do not want to put up margins/prices for our current customers.

### Customer/Prospect Appointments:

#### BARNEYS JAPAN CO LTD

Address: Shinjuku NS Bldg 8F, 2-4-1 Nishi Shinjuku, Shinjuku-ku, Tokyo 163-0890

Tel: +81 (0) 3-5908-1426

Fax: +81 (0) 3-5908-1469

URL: [www.barneys.co.jp](http://www.barneys.co.jp) (Japanese language only)

Business: Importer and retailer of menswear and womenswear

Established: June 1989

Employees: 300

Capital: 4,990 million yen

Annual Turnover: 12,336 million yen (February 2005)

15,611 million yen (February 2006)

15,673 million yen (February 2007)

No of outlets: 3 (Ginza, Shinjuku and Yokohama)

Banks: Bank of Tokyo-Mitsubishi UFJ (Shinjuku Branch)  
Mizuho Bank (Iidabashi Branch)

Buy from: Directly from overseas designers/manufacturers

Distribution: General consumers

Barneys liked the jewellery very much and the store is up market and fitting with the brand position. However it is difficult for them to make an immediate order this time due to the current world financial crisis. We will remain in contact.

#### BAYCREW'S CO LTD

Address: Jinnan Flag 3, 1-6-3 Jinnan, Shibuya-ku, Tokyo 150-0041

Tel: +81 (0) 3-5457-0817

Fax: +81 (0) 3-5457-0813

URL: [www.baycrews.co.jp](http://www.baycrews.co.jp)  
(English language partly available)

Business: Importer, wholesaler and retailer of clothing and clothing accessories

Established: July 1980

Employees: 1,100

Capital: 40 million yen

Annual Turnover: 26,000 million yen (August 2004)

29,600 million yen (August 2005)

30,000 million yen (August 2006)

Outlets: IENA (ladies), INEA plus epuree, JOURNAL STANDARD (mens & ladies), Spick & Span (young ladies), Noble (young ladies), FRAMEWORK, Édifice (mens), DEUXIEME CLASSE (ladies), B.C Stock, Edit.for Lulu (ladies), MARCHE AUX PUCES, ETS. MATERIAUX (casual), La TOTALITE (ladies), HIROB (antique watches), Barrault (ladies bags), ivory court (mens & ladies), JS Homestead, journal standard luxe, SPARE SERVICE DEPOT, Reform Works Studio, LIMITLESS LUXURY

Buy from: Itochu, Mitsui, Marubeni, etc.

Sales channels: Department stores and speciality stores etc

Kira Bella jewellery sold well at their stores, and they wanted to make an additional order through their Paris office. However, your delivery date for the additional order was too late for them and also their budget could not cover their additional order. At our meeting we discussed further designs together for the next collections and took feed back on which designs they felt held the most promise. Despite the down turn the business is doing well.

### **TANAKA KIKINZOKU JEWELLERY KK**

Address: 1-7-7 Ginza, Chuo-ku, Tokyo 104-0061

Tel: +81 (0) 3-3561-9797

Fax: +81 (0) 3-3561-7410

URL: [www.ginzatanaka.co.jp](http://www.ginzatanaka.co.jp)  
<http://www.tanaka-precious.com/>

Business: Importer and retailer of jewellery and accessories

Established: 1926

Employees: 89

Capital: 473.8 million yen

Annual Turnover: 62,975 million yen (March 2005)  
102,043 million yen (March 2006)  
131,278 million yen (March 2007)

No of outlets: 6 in Tokyo, Nagoya, Osaka & Fukuoka.

Distribution: General consumers, Department Stores, etc

Tanaka is currently making most money from trading gold on the wholesale market. The retail positioning of Tanaka is traditional fine jewellery rather than fashion fine jewellery and therefore the business was not a good option for the Kira Bella brand. We discussed and agree this position at our meeting.

### **VERITAS JEWELLERY CO LTD**

Address: Aioi Bldg 5F, 2-15-19 Kamiosaki, Shinagawa-ku, Tokyo 141-0021

Tel: +81 (0) 3-6276-7101

Fax: +81 (0) 3-3280-5310

URL: <http://www.veritas-jewelry.co.jp/en/index.html>

Business: Importer, wholesaler & retailer of designer jewellery

Established: March 1988

Employees: 34

Capital: 50 million yen

Annual Turnover: 103 million yen (September 2006)  
198 million yen (September 2007)  
239 million yen (September 2008)

No of outlets: 9 shops in-shop in department stores / fashion buildings.  
Their 10<sup>th</sup> shop will open in Hyogo pref. in the end of Nov 2008.

Veritas is a current customer. Our jewellery has sold very well both at their stores and at the British Fairs at department stores. They said that Kira Bella would have good prospects in the Japanese market. They also said that they would like to hold their stocks down at the moment, due to the instability of the future market direction under the current economic recession in Japan.

## **UNITED ARROWS LTD**

Address: Nihon Seimei Akasaka Bldg 2F, 8-1-19 Akasaka, Minato-ku, Tokyo 107-0052

Tel: +81 (0) 3-5785-6358

Fax: +81 (0) 3-5785-6359

URL: [www.united-arrows.co.jp](http://www.united-arrows.co.jp) (English language available)

Business: Select shop (Importer, manufacturer, distributor & retailer of clothing and accessories)

They are a sales agent of Cath Kidston, currently operating 3 stores in Japan.

Established: October 1975

Employees: 1,114

President: Mr Tetsuya Iwaki

Capital: 3,030 million yen

Annual Turnover: 46,330 million yen (March 2005)

52,610 million yen (March 2006)

58,666 million yen (March 2007)

No of outlets: 102

The name of shops:

UNITED ARROWS, united arrows green label relaxing (mens & ladies casual), FACADE GREEN green label relaxing (ladies), ODONATA green label relaxing (menswear & accessories),

Another Edition (ladies), Odette e Odile (ladies shoes, bags & accessories), Changes (ladies designers shop), Beauty & Youth UNITED ARROWS (casualwear & lifestyle), Jewel Changes (ladies), Drawer (ladies), DARJEELING DAYS (mens), Tokishirazu (mens), CHROME HEARTS, Liquor, Woman&Tears, Nature for united arrows, The Sovereign House (Men's), Façade Green by green label relaxing, UNITED ARROWS Outlet, Disney Loved by united arrows

Buy from: Kanematsu Textile, Itochu and Marubeni

Distribution: General consumers, department stores and speciality stores as part of the overall market visit and attendance is compulsory in order to derive maximum benefit.

United Arrows is a current customer. We participated in a general discussion with other fashion brands on the future of the market in Japan. The tendency is 'back to basics' and growth in the male fashion area. Japanese customers are sophisticated and demand brands of quality and luxury; they will often do their research online before purchase.